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Chinese mix of communism and wild capitalism is unsustainable

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Democracy cannot function without capitalism. This has been proved several times throughout the history, most notably in 1989 for the last time. More interesting question for a political scientist today is whether capitalism can work without democracy and freedom. Some Asian countries seem to demonstrate that it is possible; Taiwan, South Korea, Singapore, Malaysia and China could serve as an example but unlike China, the other countries listed above have been liberalising their political systems and some of them - South Korea or Taiwan – have in fact replaced authoritarian politics by full-fledged democracy. Fareed Zakaria makes the point that liberal capitalism prepares the ground for democracy: capitalism means trade and trade means opening to the foreign partners who bring money, know-how and ideas in. Following this theoretical point of view, the Australian PM John Howard is quite right when he said that “China’s mix of authoritarian politics and a liberalised economy is unsustainable in the long term”.

But why then the economic liberalisation in China has not been followed by the democratisation or at least liberalization in the sphere of politics? Why the opening of China to the world has not brought about the same effect in this sense, as elsewhere in the world and in Asia?

One of the usual answers is that China is too big and too complicated to govern that even free market capitalism requires strong hand of the government. To boost this argument, a comparison of China and India is often made. India, country of freedom and democracy and another Asian booming economy, is often criticised for not being able to tame inflation and to provide for adequate business infrastructure. Chinese structures, on the other hand, are quite efficient in managing both issues. Investing in India, one needs to study quite complicated system of federal and local taxes and other rules, talk to a lot of stakeholders and there is no guarantee there once will be a road to your factory. In China on the contrary, one only needs to see several bureaucrats in Beijing who, if convinced about the profitability of the project, usually offer such guarantees which can be only dreamt of in India. However, there is always a dark side of things and China is full of them. Chinese leadership seems now to be less willing to give the same incentives to the foreign investments as in the past and the same bureaucrat, who once gave a green light to starting your project can later demand for bribes to keep it going.

More generally, it is true the Chinese regime is much more repressive than other (non-communist but also communist) authoritarian regimes in Asia (except North Korea of course). The political oppression in China impacts seriously the social conditions of Chinese citizens turning them often into the modern slaves who are being exploited in the name of Chinese capitalism. The rich-poor differences are rising extremely; the poverty and social unrest are boosted by the strict rules and repression (prohibition to move to the cities, the one child policy, etc.). It is paradoxical to see a communist country, which declared to create a just and egalitarian society, allow for severe capitalist exploitation of her population (in order to ensure profits for its new economic elite.) Such a situation seems to be unsustainable, but not by virtue of the Chinese citizens' "lust for democracy" but rather due their lust for reasonable

living and social conditions. To some extent, the Chinese communist power is sawing off the branch it is sitting on.